

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02465A
Bella Vista Water Company, Inc.
4055 Campus Drive
Sierra Vista, AZ 85635

RECEIVED

APR 12 2005

AZ Corporation Commission
Director Of Utilities

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ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) Bella Vista Water Company, Inc.

Mailing Address 4055 Campus Drive
(Street)

Sierra Vista Arizona 85635
(City) (State) (Zip)

(520) 458-5470 (502) 459-6680
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 4055 Campus Drive
(Street)

Sierra Vista Arizona 85635
(City) (State) (Zip)

(520) 458-5470 (502) 459-6680
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Peter Kampian Chief Financial Officer
(Name) (Title)

2845 Bristol Circle Oakville, Ontario Canada L6H7H7
(Street) (City) (State) (Zip)

(905) 465-4500 (905) 465-4514
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Mike Weber General Manager
(Name)

111 W. Wigwam Blvd., Suite B Litchfield Park Arizona 85340
(Street) (City) (State) (Zip)

(623) 935-9367 (623) 935-1020
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: CT Corporation System
(Name)
3225 N. Central Avenue Phoenix Arizona 85012
(Street) (City) (State) (Zip)

(602) 277-4792

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Bill Sullivan @ Curtis, Goodwin, Sullivan, & Schwab, P.L.C.
(Name)

2712 N. 7th Street
(Street)

Phoenix
(City)

Arizona
(State)

85006
(Zip)

(602) 393-1700 ext 6381

Telephone No. (Include Area Code)

(602) 393-1703

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☒ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME**BELLA VISTA WATER CO., INC.****UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	322,875		322,875
304	Structures and Improvements	865,962	289,730	576,232
307	Wells and Springs	1,034,067	404,244	629,823
311	Pumping Equipment	2,004,718	1,708,235	296,483
320	Water Treatment Equipment	47,877	22,452	25,425
330	Distribution Reservoirs and Standpipes	1,464,433	642,639	821,794
331	Transmission and Distribution Mains	9,671,901	3,149,682	6,522,220
333	Services	990,920	726,122	264,797
334	Meters and Meter Installations	1,130,643	1,052,427	78,216
335	Hydrants	579,377	218,933	360,444
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	333,011	182,364	150,647
341	Transportation Equipment	281,274	205,951	75,323
343	Tools, Shop and Garage Equipment	123,055	123,055	0
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	47,608	36,541	11,067
347	Miscellaneous Equipment	100,766	77,966	22,800
348	Other Tangible Plant			
				0
	TOTALS	18,998,489	8,840,341	10,158,147

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME**BELLA VISTA WATER CO., INC.****CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	322,875		
304	Structures and Improvements	865,962	2.5%	21,489
307	Wells and Springs	1,034,067	2.7%	26,158
311	Pumping Equipment	2,004,718	10%	195,149
320	Water Treatment Equipment	47,877	10%	4,788
330	Distribution Reservoirs and Standpipes	1,464,433	2.5%	36,608
331	Transmission and Distribution Mains	9,671,901	2%	188,970
333	Services	990,920	2%	18,884
334	Meters and Meter Installations	1,130,643	10%	10,023
335	Hydrants	579,377	2%	11,113
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	333,011	6.67%	13,915
341	Transportation Equipment	281,274	14.29%	10,475
343	Tools, Shop and Garage Equipment	123,055	11.76%	
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	47,608	10%	4,096
347	Miscellaneous Equipment	100,766	6.25%	6,298
348	Other Tangible Plant			
	Less: CIAC Amortization			(17,616)
	TOTALS	18,998,489		530,349

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

Half-year convention used on asset additions.

COMPANY NAME BELLA VISTA WATER CO., INC.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 73,854	\$ 306,510
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	104,158	102,683
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	37,249	47,452
162	Prepayments	48,395	135,941
174	Miscellaneous Current and Accrued Assets	173,894	137,053
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 437,550	\$ 729,639
	FIXED ASSETS		
101	Utility Plant in Service	\$ 17,945,948	\$ 18,998,489
103	Property Held for Future Use		
105	Construction Work in Progress	29,563	18,860
108	Accumulated Depreciation - Utility Plant	8,282,429	8,840,341
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 9,693,082	\$ 10,177,007
	TOTAL ASSETS	\$ 10,130,632	\$ 10,906,646

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME

BELLA VISTA WATER CO., INC.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 31,103	\$ 35,956
232	Notes Payable (Current Portion)	121,387	123,466
234	Notes/Accounts Payable to Associated Companies	211,879	305,930
235	Customer Deposits	122,311	132,326
236	Accrued Taxes	538,799	547,045
237	Accrued Interest	22,755	21,822
241	Miscellaneous Current and Accrued Liabilities	39,423	36,921
	TOTAL CURRENT LIABILITIES	\$ 1,087,657	\$ 1,203,466
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 1,973,096	\$ 1,849,791
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	3,348,295	3,867,377
255	Accumulated Deferred Investment Tax Credits	(8,562)	(8,562)
271	Contributions in Aid of Construction	448,126	473,955
272	Less: Amortization of Contributions	155,855	173,471
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 3,632,004	\$ 4,159,299
	TOTAL LIABILITIES	\$ 6,692,758	\$ 7,212,556
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,520,080	\$ 1,520,080
211	Paid in Capital in Excess of Par Value	377,948	377,948
215	Retained Earnings	1,539,847	1,796,063
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 3,437,875	\$ 3,694,090
	TOTAL LIABILITIES AND CAPITAL	\$ 10,130,632	\$ 10,906,646

COMPANY NAME**BELLA VISTA WATER CO., INC.****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 3,235,045	\$ 3,272,628
460	Unmetered Water Revenue		
474	Other Water Revenues	125,672	131,831
	TOTAL REVENUES	\$ 3,360,717	\$ 3,404,459
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Power	436,240	419,694
618	Chemicals	611	1,314
620	Repairs and Maintenance	80,661	84,187
621	Office Supplies and Expense	96,304	103,419
630	Outside Services	556,748	464,555
635	Water Testing	24,779	38,782
641	Rents	38,400	43,200
650	Transportation Expenses	39,269	37,587
657	Insurance - General Liability	48,783	41,092
659	Insurance - Health and Life	0	
666	Regulatory Commission Expense - Rate Case	36,841	36,841
675	Miscellaneous Expense	47,486	429,544
403	Depreciation Expense	637,090	530,349
408	Taxes Other Than Income	0	
408.11	Property Taxes	174,649	191,809
409	Income Tax	397,809	(14,935)
	TOTAL OPERATING EXPENSES	\$ 2,615,670	\$ 2,407,438
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 777	\$ 600
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	150,791	143,286
	TOTAL OTHER INCOME/EXP	\$ (150,014)	\$ (142,686)
	NET INCOME/(LOSS)	\$ 595,033	\$ 854,334

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	06/11/1990	05/17/1993	10/15/1995	07/24/1994
Source of Loan	Note PLR K-Mart	Note PLR BVR/RC-3	Note PLR BVR/RC-4	Note PLR BVR CCCII
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$64,500	\$54,801	\$49,589	\$21,063
Amount Outstanding	\$30,298	\$31,287	\$30,638	\$13,089
Date of Maturity	01/15/2010	01/15/2013	01/15/2016	01/15/2014
Interest Rate	8.56 %	7.30%	6.91%	7.16%
Current Year Interest	\$2,915	\$2,489	\$2,281	\$1,040
Current Year Principle	\$3,751	\$2,809	\$2,368	\$972

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #5	LOAN #6	LOAN #7	LOAN #8
Date Issued	Varies	Varies		
Source of Loan	WIFA # 1	WIFA # 2		
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$173,526	\$2,100,000	\$	\$
Amount Outstanding	\$125,442	\$1,742,503	\$	\$
Date of Maturity	09/01/2018	06/01/2021		
Interest Rate	6.10 %	6.26%	%	%
Current Year Interest	\$8,749	\$119,043	\$	\$
Current Year Principle	\$6,994	\$101,827	\$	\$

Meter Deposit Balance at Test Year End \$339,165

Meter Deposits Refunded During the Test Year \$44,788

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-610120 1	40	240	640	12	4	1956
55-610121 2	50	300	649	12	4	1958
55-610122 3	50	300	605	12	6	1968
55-610123 5	50	280	620	14	4	1972
55-610125 7	100	470	475	16	6	1968
55-610126 8	60	350	645	12	6	1954
55-610127 9	15	65	618	8	3	1954
55-610128 10	15	65	630	10	3	1956
55-610129 11	60	350	696	12	4	1956
55-610130 12	60	200	805	16	4	1972
55-610131 13	75	230	867	16	6	1978
55-610132 14	75	450	600	16	6	1972
55-610133 15	50	300	700	16	4	1972
55-610134 16	50	300	501	12	4	1960
55-518083 18	250	1200	1000	16	10	1987
55-519004 19	125	700	1000	16	8	1987
55-560741 VV1	15	250	400	8	4	1997
55-560742 VV2	15	250	385	8	4	1997
55-610119 STUMP	5	25	250	6	2	1982
55-805652 ASH	5	40	80	8	2	1989
55-536074 RO # 1	1	15	160	8	1	1992
55-553209 WHORSE	7.5	25	608	12	4	1997
55-597128 RO # 2	1.5	20	305	6	2	2003
55-583389 RO # 3	5	25	500	8	1	2001
55-508962 NV16	5	30	215	6	2	1984
55-507217 NV15	5	40	205	6	2	1984
55-642087 NV 3	3	20	243	6	2	1958
55-624091 NV 9	3	12	287	6	1.5	1959
55-641821 NV10	2	17	154	4	1	Unknown

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	10	654	8
20	6		
15	2		
20	6		
30	6		
25	2		
15	4	13 (South System)	
5	2		
5	2		
10	2	NV15	3 (2")
2	8		
25	4		
5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	6	5,000	4
400,000	1	6,000	1
200,000	3	5,000	4
400,000	1		
200,000	1	5,000	6
35,000	1		
100,000	1		
1,500,000	2		
200,000	1	5,000	1
17,000	1	1,000	1
7,000	1	5,000	1
100,000	1		
32,000	1	1,000	1
16,000	1	6,600	1
80,000	1	2,000	1
7,000	2	150	4
200,000	1	1,000	2
3,300	1	5,000	2
49,700	1		
17,500	2		
7,900	1		
10,000	1		

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2	Galvanized	27,000
2	Steel	9,000
3	AC	16,000
4	AC	86,500
6	AC	180,600
8	AC	118,895
10	AC	3,300
12	Steel	600
2	PVC	2,935
3	PVC	175
4	PVC	10,060
6	PVC	63,458
8	PVC	66,845
12	PVC	29,985
4	Ductile	1,020
6	Ductile	905
8	Ductile	12,432
12	Ductile	1,970

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	6,935
3/4	39
1	115
1 1/2	75
2	240
Comp. 3	
Turbo 3	19
Comp. 4	
Tubo 4	4
Comp. 6	1
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Eight Chlorinators – South System

STRUCTURES:

Well # 18 Site building

Fences (around wells & tanks)

Well # 13 Site building

Two small pump sheds

Wall at Apache Booster Station

Well House NV # 10

Wall at Well # 5

OTHER:

Four generators

Back hoe, air compressor, trailer, dump truck, water tank

667 hydrants

8 standpipes

COMPANY NAME: BELLA VISTA WATER CO., INC

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	7,211	79,462,000	70,582
FEBRUARY	7,201	62,983,000	71,543
MARCH	7,255	63,719,000	89,517
APRIL	7,342	85,873,000	91,344
MAY	7,331	98,563,000	125,018
JUNE	7,344	115,777,000	130,971
JULY	7,395	124,318,000	124,089
AUGUST	7,402	104,485,000	108,074
SEPTEMBER	7,419	107,492,000	106,089
OCTOBER	7,433	94,704,000	97,566
NOVEMBER	7,421	79,746,000	77,830
DECEMBER	7,416	70,525,000	75,676
TOTAL			1,168,298

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: N/A

What is the level of arsenic for each well on your system. Please see next Page mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

BELLA VISTA WATER CO., INC.
Arsenic results on all systems

System Name	POE #	Last Sampling Date	Results
Ash Well	1	1/20/2004	<0.001
Stump Well	2	1/20/2004	0.0019
Wildhorse	3	1/20/2004	<0.001
NVW Well #10	4	1/20/2004	<0.001
NVW Well #9	5	1/20/2004	<0.001
NVW Well #3	6	1/20/2004	<0.001
NVW Well #15/16	7	1/20/2004	<0.001
Rail Oaks # 1/2	8	1/20/2004	<0.001
RO #3 (Vista Grande)	9	1/20/2004	<0.001

BVW Well #1	1	4/10/2001	<0.0050
BVW Well #2	2	4/10/2001	<0.0050
BVW Well #3	3	4/10/2001	<0.0050
BVW Well #5	5	4/10/2001	<0.0050
BVW Well #7	7	4/10/2001	<0.0050
BVW Well #8	8	4/10/2001	<0.0050
BVW Well #9/10	9	4/10/2001	<0.0050
BVW Well #11	11	6/22/2004	<0.0050
BVW Well #12/13	12	6/22/2004	<0.0050
BVW Well #14	14	4/10/2001	<0.0050
BVW Well #15	15	4/10/2001	<0.0050
BVW Well #16	16	4/10/2001	<0.0050
BVW Well #18	18	6/22/2004	<0.0050
BVW Well #19	19	4/10/2001	<0.0050
Vista View Wells # 1/2	20	6/22/2004	<0.0050

MCL for Arsenic: 0.050mg/l

Tested every three years unless they have waivers

COMPANY NAME BELLA VISTA WATER CO., INC YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 187,517.63

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COCHISE COUNTY TREASURER
Receipt of Taxes Paid

Date: 27 Apr 2004 Time: 14:47:57

Page: 1
Cashier: CCA

Tax Year	Parcel	Portion	Tax Paid	Interest Paid	Penalty Paid	Paid
2003	90554907000	2	2,367.26			2,367.26
2003	90556870001	2	13,371.53			13,371.53
2003	90554970002	2	1,412.18			1,412.18
2003	90556807009	2	208.98			208.98
2003	90556830005	2	64,620.65			64,620.65
2003	10665009019	2	152.06			152.06
2003	10716010131	2	6,816.57			6,816.57

Payment type: Check# 1900

Payment Received: \$ 88,949.23

Base tax due:

.00

Additional interest and penalties may apply.

Notes:

Received from:

BELLA VISTA WATER CO
PO BOX 1150
SIERRA VISTA AZ 85636

COCHISE COUNTY TREASURER
Receipt of Taxes Paid

Date: 20 Oct 2004 Time: 9:27:18

Page: 1
Cashier: AME

Tax Year	Parcel	Portion	Roll #	Tax Paid	Interest Paid	Penalty Paid	Paid
2004	10665009019	1	00-24726	223.55			223.55
2004	10716010131	1	00-27051	7,386.63			7,386.63
2004	90554907000	1	01-12979	1,962.77			1,962.77
2004	90554970002	1	01-12980	1,374.84			1,374.84
2004	90556807009	1	01-12981	206.13			206.13
2004	90556830005	1	01-12982	73,431.57			73,431.57
2004	90556870001	1	01-12983	13,982.91			13,982.91

Payment type: Check# 002439

Payment Received: \$ 98,568.40

Base tax due:

.00

Notes:

Received from:

BELLA VISTA WATER CO INC
PO BOX 1150
SIERRA VISTA AZ 85636

COMPANY NAME BELLA VISTA WATER CO., INC YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 612,389
Estimated or Actual Federal Tax Liability 208,212

State Taxable Income Reported 926,640
Estimated or Actual State Tax Liability 64,568

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected N/A
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Michael D. Weber

SIGNATURE

4/6/05

DATE

MICHAEL D. WEBER

PRINTED NAME

VICE PRES. / GM

TITLE

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

APR 12 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF COCHISE
NAME (OWNER OR OFFICIAL) TITLE Mike Weber, VP
COMPANY NAME Bella Vista Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 3,659,996

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 255,537
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

6th

DAY OF



OFFICIAL SEAL
BARBARA RIDEN
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Feb. 3, 2007

Michael D. Weber
SIGNATURE OF OWNER OR OFFICIAL
623 935-9367
TELEPHONE NUMBER

COUNTY NAME Maricopa	
MONTH April	2005

Barbara Riden
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 12 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF COCHISE		
NAME (OWNER OR OFFICIAL)	Mike Weber	TITLE: V.P.
COMPANY NAME Bella Vista Water Company, Inc.		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 2,159,753

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 155,463
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Michael D. Weber

SIGNATURE OF OWNER OR OFFICIAL

623 935- 9367

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

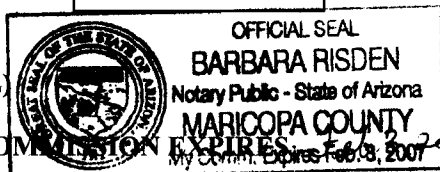
THIS

6th

DAY OF

(SEAL)

MY COMMISSION EXPIRES



NOTARY PUBLIC NAME <i>Barbara Riden</i>	
COUNTY NAME <i>Maricopa</i>	
MONTH <i>April</i>	YEAR <i>2005</i>

X

Barbara Riden

SIGNATURE OF NOTARY PUBLIC

	Actual	Prior Year
ASSETS		
Current Assets		
Cash - Operating	\$306,510	\$73,854
Accounts Receivable	102,683	104,158
Prepays	93,721	19,770
Deposits	398	398
Total Current Assets	503,312	198,180
Intercompany	(184,748)	(184,748)
Long Term Assets		
Fixed Assets		
Land	322,875	322,875
Water Plant	18,675,614	17,623,073
Accum Depreciation Water Plant	(8,840,341)	(8,282,429)
Contribution in Aid of Construction	(473,955)	(448,126)
Accum Depreciation - CIAC	173,471	155,855
Net Fixed Assets	9,857,664	9,371,248
Other Assets		
Construction in Process	18,860	29,563
Materials & Supplies Inventory	47,452	37,249
Deferred Costs	77,663	101,908
Unbilled Revenue	100,213	100,213
Total Other Assets	244,188	268,933
Total Assets	10,420,416	9,653,613
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	415,123	391,014
Inter group	121,182	27,131
Current Taxes Payable	428,947	431,302
Franchise Tax Payable		
Current Portion of Long Term Debt	123,466	121,387
Total Current Liabilities	1,088,718	970,834
Long Term Liabilities		
Third Party Loans	1,849,791	1,973,096
Customer Meter Deposits	346,034	286,140
Customer Advances in Aid of Construction	3,451,343	2,994,229
Deferred Income Tax	(8,562)	(8,562)
Total Long Term Liabilities	5,638,606	5,244,903
Total Liabilities	6,727,324	6,215,737
SHAREHOLDERS EQUITY		
Common Shares	1,898,028	1,898,028
Total Contributed Capital	1,898,028	1,898,028
Earnings		
Retained Earnings	3,072,589	2,477,556
Year to Date Income	854,334	595,033
Dividends Paid	(2,131,861)	(1,532,743)
Total Earnings	1,795,062	1,539,846

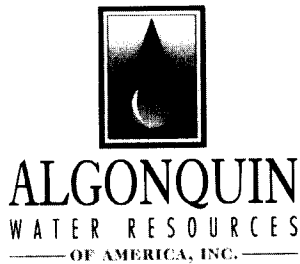
Bella Vista Water
BALANCE SHEET
AS AT December 31, 2004

	<u>Actual</u>	<u>Prior Year</u>
Total Shareholders' Equity	<u>\$3,693,090</u>	<u>\$3,437,874</u>
Total Liabilities and Equity	<u>10,420,414</u>	<u>9,653,611</u>

CURRENT MONTH					YEAR TO DATE				
Actual	Budget	Prior	% Change Budget	% Change Prior	Actual	Budget	Prior	% Change Budget	% Change Prior
Revenue									
Water Sales									
\$148,555	\$249,173	\$126,223	-40.38%	17.69%	\$2,004,290	\$3,243,668	\$2,030,881	-38.21%	-1.31%
87,870	0	70,855	0.00%	24.01%	1,268,338	0	1,204,164	0.00%	5.33%
236,425	249,173	197,078	-5.12%	19.97%	3,272,628	3,243,668	3,235,045	0.89%	1.16%
Waste Water Sales									
Reclaimed Water Sales (Effluent)									
Other Revenues									
18,456	6,000	15,484	207.60%	19.19%	131,831	72,000	122,047	83.10%	8.02%
18,456	6,000	15,484	207.60%	19.19%	131,831	72,000	122,047	83.10%	8.02%
254,881	255,173	212,562	-0.11%	19.91%	3,404,459	3,315,668	3,357,092	2.68%	1.41%
Total Revenue									
Operating Costs									
Sources of Supply, Collections & Expenses									
26,101	36,344	36,344	-28.77%	-28.18%	413,017	439,725	426,544	-6.07%	-3.17%
0	0	19	0.00%	-100.00%	1,314	0	603	0.00%	117.91%
1,021	0	324	0.00%	215.12%	19,975	0	4,763	0.00%	319.38%
29,682	2,904	(3,087)	922.11%	-1061.52%	372,548	34,850	175,330	969.00%	112.48%
2,712	2,648	2,811	2.42%	-3.52%	33,558	31,775	33,542	5.61%	0.05%
59,516	42,196	36,411	41.05%	63.46%	840,412	506,350	640,782	65.97%	31.15%
Water Treatment & Pumping Expenses									
Transportation & Distr, Treatment & Disposal Exp									
Effluent Water Treatment Expenses									
Effluent Water Distribution Expenses									
59,516	42,196	36,411	41.05%	63.46%	840,412	506,350	640,782	65.97%	31.15%
Total Operating Costs									
Maintenance Costs									
Sources of Supply, Collections & Expenses									
0	0	8	0.00%	-100.00%	0	0	8	0.00%	-100.00%
3,589	9,310	5,176	-61.45%	-30.66%	64,212	111,725	53,895	-42.53%	19.14%
133	0	486	0.00%	-72.63%	10,553	0	1,759	0.00%	499.94%
3,722	9,310	5,670	-60.02%	-34.36%	74,765	111,725	55,662	-33.08%	34.32%
Water Treatment & Pumping Expenses									
Transportation & Distr, Treatment & Disposal Exp									

Bella Vista Water
INCOME STATEMENT
For the Twelve Months Ending December 31, 2004

CURRENT MONTH					YEAR TO DATE				
Actual	Budget	Prior	% Change Budget	% Change Prior	Actual	Budget	Prior	% Change Budget	% Change Prior



111 W. Wigwam Blvd., Suite B
Litchfield Park, AZ 85340
Phone: (623) 935-9367 - Fax: (623) 935-1020

LETTER OF TRANSMITTAL

DATE: April 11, 2005

ATTN: Compliance Section-Utilities Section

RE: Annual Report for Bella Vista Water Co.

TO: Compliance Section
Utilities Division - ACC
1200 West Washington Street
Phoenix, AZ 85007

The Following Items Are Forwarded To You: (x) Attached () Under Separate Cover

- ☐ Bid Package ☐ Copy of Letter ☐ Shop Drawings ☐ Specifications
☐ Change Order ☐ Plans/Prints ☒ Other Annual Report

DESCRIPTION		
1	1	Bella Vista Water Co. – Annual Report

These Are Transmitted As Checked Below:

- ☐ For signature ☐ For your use
☐ Approved as submitted ☐ For review and comment
☐ Approved as noted ☐ Prints returned after loan
☐ Re-submit _____ copies for approval ☐ Submit _____ copies for distribution
☐ FOR BIDS DUE _____ ☒ As requested

Remarks: _____

Copy To: file

Signed: Barbara Resden